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C O N F I D E N T I A L SECTION 01 OF 02 CONAKRY 000239

SIPDIS

E.O. 12958: DECL: 04/29/2019
TAGS: EINV ECON PREL ASEC GV
SUBJECT: (C) U.S. COMPANY LOOKS TO MARKET VOTER
REGISTRATION PRODUCTS IN GUINEA

Classified By: POL/ECON CHIEF SHANNON CAZEAU FOR REASON 1.4 B AND D

¶1. (C) SUMMARY. LaserCard, a company that claims to have
significant U.S. content, is requesting commercial advocacy
services from the Embassy for issues related to the import of
U.S. products. New to Guinea, the company does not yet have
any contracts in place, but is hoping to land a contract to
provide voter registration cards. However, this contract was
already awarded to a French company, SOGAM, and is in the
process of being delivered. LaserCard anticipates that the
SOGAM contract will fall apart and has already been talking
to the Guinean Government about their own product. The
company's anticipated contract appears to be at
cross-purposes with our current policy towards Guinea, which
suggests that commercial advocacy for this particular company
may not be in our best interest at this time. END SUMMARY.

¶2. (U) Pol/Econ Chief met with Claus Hunting, the Director
of Sales for LaserCard Corporation, on April 28. Hunting
contacted the Embassy in order to request commercial advocacy
assistance. LaserCard's local partner, L1 Identity
Solutions, has been experiencing difficulties importing goods
from the United States. Hunting said that although his
office is in Germany, LaserCard has significant U.S. content
while its partner, L1 Identity Solutions, is a U.S. company.

¶3. (U) Open source information indicates that LaserCard is a
public company with offices both in Germany and the United
States. It is listed on the NASDAQ under "LCRD." The U.S.
office handles sales in North America while the German office
handles sales in Africa, Asia, and the Middle East. In its
filing with the Security and Exchange Commission, the company
reports that manufacturing is split between Europe and the
United States, but that most of the raw materials and
supplies are sourced abroad. The company produces optical
memory card technology, which is a secure, credit-card sized
card that can hold up to 2.86 megabytes of memory. LaserCard
has a wholly owned German subsidiary, Lasercard GMBH.

¶4. (U) L1 Identity Solutions is also a public company with a
listing on the New York Stock Exchange under "ID." The
company uses biometric technology to secure buildings, and to
provide identity documents such as passports or voter
registration cards. L1 Identity Solutions has a wholly owned
German subsidiary, L1 Identity Solutions AG.

¶5. (C) Hunting explained that LaserCard does not have an
office in Guinea, but that its local partner, L1 Identity
Solutions, is in the process of establishing business
operations here. Although he did not specify, it sounded
like L1 has been on the ground for at least a few months.
Hunting told Pol/Econ Chief that the company does not yet
have any specific contracts, but is talking to the Guinean
Government about potential opportunities. One of these
opportunities might be contracting to produce a national
identification card. However, Hunting indicated that the

company's main interest is in handling Guinea's voter registration cards. He claimed that LaserCard's product is of superior quality and has generated proven results in other African countries.

¶6. (C) Pol/Econ Chief pointed out that the EU is financing the voter registration process and has already awarded a contract to the French company SOGAM, which is reportedly nearing completion of the initial registration phase. Hunting acknowledged SOGAM's contract, but said that he expects their services to fall through since there have been a number of problems with the process so far. Incidentally, Hunting said LaserCard is also hoping to pick up a similar contract for voter registration cards in Cote d'Ivoire, which is also currently working with SOGAM.

¶7. (C) In response to the question on the Embassy providing commercial advocacy, Pol/Econ Chief noted that while the USG is pro-American business, this particular situation is unique in that LaserCard's anticipated contract may be at cross purposes with our bilateral policy towards Guinea. Hunting argued that the SOGAM contract is fraught with problems, and that if elections are ultimately going to succeed in Guinea, the voter registration process needs to be done correctly. Pol/Econ Chief promised to discuss LaserCard's advocacy request with relevant offices in Washington, but made no commitment.

COMMENT

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¶8. (C) LaserCard's request presents a prickly question. On the surface, the company looks to have significant U.S. content, which means that we would normally be willing to advocate to advance their interests. However, their business objectives appear to conflict with our current policy position. At the same time, it is accurate to say that the SOGAM registration process has been problematic. These problems may ultimately convince stakeholders, including political parties and voters, to effectively demand a "recount." Elements of the Guinean Government are likely looking to delay the elections and the SOGAM issue provides a ready excuse. The EU, which has invested several million Euros in the process, is likely to be unwilling to consider a "recount." The other question is who would finance a new contract.

¶9. (C) At this time, it seems that the Embassy should refrain from commercial advocacy for this company, in accordance with our policy position. If the GoG ultimately rejects the results of the SOGAM contract and opens the contract for rebidding, it would then make sense to advance the interests of an American company. Embassy welcomes Department guidance as to how to handle this issue. END COMMENT.
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